

Union Pacific Anti-Bribery and Anti-Corruption Policy

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Union Pacific is committed to doing business with integrity. As stated in the Company's Statement of Policy on Ethics and Business Conduct, [The How Matters](#), part of doing business with integrity is abiding by fair trade standards, including avoiding bribery and corruption.

Employees must avoid improper payments and corrupt behavior when dealing with domestic or foreign government officials. Union Pacific expects its employees, suppliers, consultants and other parties it does business with to comply with the Foreign Corrupt Practices Act ("FCPA"), the National Anticorruption System in México and any other applicable anti-bribery and anti-corruption laws.

Union Pacific's suppliers also are bound by the Company's [Suppliers Code of Conduct](#).

Section I. The Foreign Corrupt Practices Act

The FCPA makes it unlawful to bribe Foreign Officials. **As an employee of Union Pacific or a Union Pacific subsidiary, or as an agent, consultant or representative of Union Pacific, you cannot offer, pay or promise to pay money, or provide anything of value, to a Foreign Official for any of the following purposes:**

- To obtain or retain business;
- To influence the decisions of a Foreign Official in his or her official capacity; or
- To secure any other improper business advantage.

Similarly, you cannot do indirectly what is prohibited directly. In other words, you cannot pass something of value to another, knowing that the person will offer it to a Foreign Official.

1.1 Scope - Who Is Covered by the FCPA?

The FCPA applies to Union Pacific, its subsidiaries, agents, consultants and other representatives. The FCPA applies to every employee of Union Pacific and every third party representing Union Pacific.

1.2 Key FCPA Definitions

Anything of Value includes cash and non-cash payments. These payments can include, but are not limited to, any of the following: gifts, entertainment, cash or cash equivalents, gift or sale of stock or other investments in other than an arm's length transaction for demonstrated fair market value, contracts or other business opportunities awarded to a company in which a Foreign Official holds a beneficial interest, medical expenses, living expenses, educational

expenses, contributions to any foreign charity that benefit a Foreign Official, travel, meals, lodging, shopping or entertainment expenses.

Foreign Official means any officer or employee of a foreign government (at any level of government), a public international organization or a foreign political party, including political candidates. It also includes any person acting in an official capacity for such government or organization. All officers, directors and employees of state-owned or -controlled businesses are considered Foreign Officials.

Foreign Government means any government outside the United States.

Public International Organization means an organization that is so designated by the President of the United States. It generally includes organizations such as the International Monetary Fund, the European Union, the World Bank and similar organizations.

1.3 Enforcement, Penalties and Sanctions

Violations of the FCPA can subject Union Pacific and its employees to civil and criminal penalties.

a) Criminal Penalties for Violations of Anti-Bribery Provisions:

U.S. Individuals	U.S. Corporations
o Fine of up to US \$250,000 <i>per violation</i>	o Fine of up to US \$2 million <i>per violation</i>
o Alternative fines amounting to two times the amount gained from the violation	o Alternative fines amounting to two times the amount gained from the violation
o Up to 5 years in prison <i>per violation</i>	o Felony conviction
o Debarment from federal contracts	o Debarment from federal and development bank contracts
o Defense costs	o Oversight by compliance monitor

b) Criminal Penalties for Violations of Books and Records Provisions:

Individuals	Corporations
<ul style="list-style-type: none">o Fine of up to US \$5 million <i>per violation</i>	<ul style="list-style-type: none">o Fine of up to US \$25 million <i>per violation</i>
<ul style="list-style-type: none">o Up to 20 years in prison <i>per violation</i>	<ul style="list-style-type: none">o Alternative fines amounting to two times the amount gained from the violation
<ul style="list-style-type: none">o Alternative fines amounting to two times the amount gained from the violation	

c) Civil Penalties. In addition, substantial civil penalties may be imposed on corporations and individuals, plus additional fines. The FCPA prohibits employers from paying fines assessed against individuals.

Section II. The National Anticorruption System in México

Under the National Anticorruption regulation in México, it is unlawful to promise, offer or deliver any benefit, such as money, valuables or any other goods, to a public servant, directly or through a third party, in exchange for an act or omission, and with the purpose of obtaining or maintaining, for itself or for a third party, a benefit or advantage, and irrespective of the acceptance or receipt of the offer or profit.

Anticorruption violations are punishable with administrative fines up to US \$645,000.00 for individuals and US \$6.45 m. for corporations.

Criminal corruption offenses are punishable with up to fourteen years in prison for individuals and fines equal to five months of net income for a corporations.

2.1 Union Pacific’s Statement of Policy on Ethics and Business Conduct, The How Matters

Union Pacific officers, employees, subsidiaries, agents, consultants and other representatives must comply with Union Pacific’s Statement of Policy on Ethics and Business Conduct, The How Matters.

2.2 Organization Manual

Anticorruption policy supervision and compliance will be implemented in accordance with the functions and responsibilities set forth in the Organization Manual attached as Appendix D.

2.3 Compliance Control and Audit

Union Pacific's FCPA policy and procedures are applicable in México and may be audited to verify compliance.

2.4 Training

FCPA training is mandatory for all Union Pacific employees located in México and will be provided in Spanish.

2.5 Transparency and Publicity

This Policy will be made public by posting it on Union Pacific's Investors page.

Section III. Union Pacific Policy and Procedures

Union Pacific officers, employees, subsidiaries, agents, consultants and other representatives will not promise, pay, offer to pay or authorize the payment of bribes to Foreign Officials. Union Pacific officers, employees, subsidiaries, agents, consultants and other representatives must comply with the following procedures concerning payments, meals, entertainment and other expenses involving Foreign Officials, including pre-approval requirements. Failure to comply with this Policy and the following procedures may result in discipline up to and including termination.

If you have questions, contact the FCPA Compliance Coordinator, Reha Dallon, at (402) 544-5016 or by email at FCPA@up.com. Officers, employees, subsidiaries, agents, consultants and other representatives **must** report violations or suspected violations of this policy by calling either the Union Pacific Values Line (1-800-998-2000) or the Company's General Auditor. The Company encourages employees to provide their names to facilitate investigation of complaints. However, Union Pacific will accept anonymous complaints. Union Pacific has a strict non-retaliation policy for complaints made in good faith.

Violations or suspected violations of the National Anticorruption System in México should also be reported by following the instructions found at:

<https://sidec.funcionpublica.gob.mx/#/> or

<https://alertadorescontralacorrupcion.funcionpublica.gob.mx/#/>

3.1 Payments Permitted Without Pre-Approval

- a) **Payments authorized by law.** Payments lawful under the written laws and regulations of the relevant country are acceptable. For example, if the law of the foreign country authorizes the local government authority to charge a tax for

entry into the country, payment of that tax is permissible without pre-approval. Payments authorized by law must not be made in cash, and they must be paid to the government or government agency or entity requiring such payment and not to any individual representing the government.

b) Meals *less than* US \$100 per person & gifts of promotional items *less than* US \$200 per person. Meals involving Foreign Officials do not require pre-approval if the meal costs less than US \$100 per person. Gifts of Union Pacific promotional items (bearing the Union Pacific logo) that cost less than US \$200 per person do not require pre-approval.

However, the employee must do the following:

- Include the meal or gift as part of a valid, reasonable business purpose, such as promotion, demonstration or explanation of Union Pacific's products or services;
- Do not attempt to induce a Foreign Official to misuse their official position;
- Avoid the appearance of an improper payment or conflict of interest;
- Comply with any applicable laws of a foreign country; and
- Properly record the expense in Union Pacific's books and records by complying with the requirements of the [Union Pacific Procurement Policy](#) and the Entertainment Section of the [Union Pacific Railroad Business and Travel Expense Policy](#).

3.2 Payments Requiring Pre-Approval

Meals and Entertainment expenses exceeding US \$100 per person & gifts that cost more than US \$200 per person:

a) Meals and Entertainment. Meals and entertainment expenses involving a Foreign Official that cost more than US \$100 per person require pre-approval. For purposes of this policy, premium seating at sporting events, concerts and other entertainment events, including seating in suites and club level seating, is considered an entertainment expense that costs more than US \$100 per person and requires pre-approval.

b) Gifts. Gifts to Foreign Officials of more than nominal value that do not bear the Union Pacific logo require pre-approval. All gifts of Union Pacific promotional items bearing the Union Pacific logo with a value over US \$200 per person require pre-approval.

c) Pre-approval. To request pre-approval to provide a gift, meal or entertainment, the employee must complete and submit an “[Appendix A - Pre-Approval for Expense Involving a Foreign Official.](#)” The employee will not incur the expense until they receive pre-approval.

d) The employee must also do the following:

Ensure the gift, meal or entertainment is reasonable in light of gifts customary in the particular country;

- Provide the gift, meal or entertainment in connection with the promotion, demonstration or explanation of Union Pacific’s products or services.
- Do not attempt to induce a Foreign Official to misuse their official position;
- Avoid the appearance of an improper payment or conflict of interest;
- Comply with any applicable laws of a foreign country.
- Properly record the expense in Union Pacific’s books and records by complying with the requirements of the [Union Pacific Procurement Policy](#) and the Entertainment Section of the [Union Pacific Railroad Business and Travel Expense Policy](#).

e) Unplanned Meals and Entertainment expenses exceeding US \$100 per person.

If an employee provides meals and entertainment to a Foreign Official that cost more than US \$100 per person due to unforeseen circumstances, the employee must complete and submit an “[Appendix A - Pre-Approval for Expense Involving a Foreign Official](#)” and include an explanation of the circumstances surrounding the unplanned expense and documentation of the expense. Acceptable circumstances include a planned meal or event that unexpectedly exceeded US \$100 per person.

f) Compliance. The Company will investigate suspicious expenditures claimed under this Section.

Hosting Foreign Official Travel

Union Pacific may pay travel expenses related to hosting Foreign Officials only if such travel directly relates to the promotion, demonstration or explanation of Union Pacific’s products or services or if legitimate contractual commitments require the travel. The following procedures must be followed:

a) Pre-approval. Employees must obtain pre-approval to pay travel expenses for Foreign Officials. An employee requesting authority for a travel expense must submit an [Appendix A - Pre-Approval for Expense Involving a Foreign Official](#). The employee will

not incur the expense until they receive pre-approval. Before commencement of the travel, the sponsoring employee will send a letter memorializing the detailed terms of the hosting, including what expenses will and will not be covered. The FCPA Compliance Coordinator will work with the sponsoring employee to prepare the letter.

b) Compliance with Existing Policies. The expense must comply with the [Union Pacific Railroad Business and Travel Expense Policy](#). This policy permits expenses for transportation, lodging, meals, visa fees and other normal business travel expenses.

c) Form of Payment. Employees will not make cash payments to Foreign Officials to cover travel and travel-related expenses. Employees will pay vendors (i.e. airlines, hotels, car rental companies) directly and will not make payments directly to the traveling official. Whenever possible, travel arrangements should be made using [My UPTravel](#). When direct payment to the vendor is not possible, the Foreign Official must provide receipts for the expenses for which they request reimbursement. Union Pacific will then reimburse the Foreign Official's employer rather than the individual Foreign Official.

d) Limitations. Lodging will be limited to business class hotels for the period of the particular meeting, visit, seminar or event. Union Pacific will not pay for side trips, separate expenses of accompanying persons (such as family members) or non-business or personal charges (such as movies and personal phone calls).

Charitable Donations

a) Legitimate Business Purposes. Union Pacific recognizes that charitable donations may serve legitimate business purposes. However, paying bribes disguised as charitable donations is strictly prohibited. Charitable donations made outside the United States require pre-approval.

b) Pre-approval. An employee may request pre-approval to make a charitable contribution outside the United States if it has a legitimate business purpose. The request should be submitted using [Appendix A - Pre-Approval for Expense Involving a Foreign Official](#) and should identify both the requestor and the beneficiaries of the donation. Donations require the approval of the Vice President (or comparable officer) responsible for managing the department making the request, as well as Corporate Relations and the Law Department.

3.3 Prohibited Payments

Union Pacific employees must not pay or give anything of value to a Foreign Official directly or indirectly FOR AN IMPROPER PURPOSE OR TO ACHIEVE OR EFFECT AN IMPROPER END. Examples of improper purposes or ends include, but are not limited to, the following:

- Obtaining licenses, permits or government approvals;

- Preventing governmental action such as the imposition of a tax or fine or the cancellation of an existing government contract or contractual obligation;
- Obtaining confidential information about business opportunities, bids or the activities of competitors;
- Obtaining the right to open an office or to influence the award of a government contract;
- Obtaining the award of a government contract or a contract with a government-owned business;
- Influencing the rate of taxes that would be levied on Union Pacific's business;
- Obtaining relief from government controls;
- Resolving government disputes or resolving litigation in foreign courts;
- Affecting or influencing the nature of foreign regulations or the application of regulatory provisions;
- Assisting the Company in obtaining or retaining business; or
- Obtaining any other business advantage.

This Policy prohibits the following actions at all times:

- Making cash payments to foreign government officials;
- Facilitating payments;
- Making charitable donations to foreign governments or to specific foreign charities at the request of a foreign government or official; and
- Making political contributions to candidates for public office in a foreign country or to political parties in a foreign country.

3.4 Retaining or Engaging Foreign Representatives

Union Pacific may engage or retain sales representatives, agents, consultants, partners, sponsors or other independent third-party representatives in foreign countries ("Foreign Representatives") only on a limited basis. Use of Foreign Representatives requires pre-approval. Employees will not engage or retain Foreign Representatives, and Foreign Representatives will not commence any formal or informal activities, until approval is received.

The following procedures apply to the use of any Foreign Representative:

- a) **Selection of Representative.** Union Pacific will select Foreign Representatives solely on the basis of merit. The Company must screen and evaluate all prospective Foreign Representatives prior to retention by Union Pacific.
- b) **Request for Approval.** The Vice President (or comparable officer) responsible for managing the department requesting to engage a Foreign Representative must submit a request for approval to FCPA@up.com. The request must explain the business purpose, the activities to be conducted by the Foreign Representative and all proposed compensation arrangements for the Foreign Representative.
- c) **Due Diligence.** The FCPA Compliance Coordinator must screen and evaluate the prospective Foreign Representative. The FCPA Compliance Coordinator will require the prospective Foreign Representative to complete an [Appendix B - Due Diligence Questionnaire for New Foreign Representatives](#).
- d) **Approval.** After due diligence is completed, the Compliance Officer, the General Counsel or a designee will review the request and make a determination. Approvals will be provided in writing by the Compliance Officer, General Counsel or a designee.
- e) **Contracts.** The Company will not enter into oral agreements or arrangements with a Foreign Representative. Agreements with a Foreign Representative must be in writing and in a form approved by the FCPA Compliance Coordinator. Any modifications or amendments to any such agreements must be approved in advance by the FCPA Compliance Coordinator. All agreements with a Foreign Representative must contain the following covenants or provisions:
- The Foreign Representative will not violate any laws, including specifically the FCPA and any other applicable anti-bribery and -corruption laws;
 - A violation of any of the contractual covenants renders the contract voidable;
 - The Foreign Representative will not use undisclosed subagents nor will it split with undisclosed parties any compensation received from Union Pacific;
 - The Foreign Representative will not have authority to take any action that would violate United States law, including specifically the FCPA;
 - At any time, Union Pacific has the right to inspect the books and records of the Foreign Representative; and
 - The Foreign Representative agrees to comply with this policy and Union Pacific's procedures for foreign payments.
- f) **Compensation.** Compensation paid to a Foreign Representative must be customary and reasonable in relation to the services provided. Compensation, expenses, and other payments must be properly reflected in Union Pacific's records, books of

account and financial statements. The Company will not make payments to any third party or to bank accounts that are not in the name of the Foreign Representative. If payment is to be made outside the United States, the Company will make payments only in the country where the Foreign Representative resides or where the services are rendered.

- g) Certification.** Foreign Representatives must certify prior to beginning work and each year during the engagement that the Foreign Representative is in compliance with the FCPA. The FCPA Compliance Coordinator will send requests for certification to all Foreign Representatives on a yearly basis using Appendix C – Foreign Representative Compliance Certification. Upon request, each department will provide the FCPA Compliance Coordinator with the names and email addresses of all Foreign Representatives and consultants representing Union Pacific's interests in a foreign country.

3.5 Other Due Diligence Procedures

- a) Other Vendors in Foreign Countries.** The Company may conduct appropriate due diligence on vendors whose principal place of business is outside the United States.
- b) Contracts and Nondiscrimination.** Union Pacific is committed to reducing corruption risks within its organization and therefore will not knowingly enter into any contractual relationships with individuals or organizations that represent an integrity risk. However, this Policy does not authorize any form of discrimination based on gender, ethnic origin, disability, social status, age, religion, sexual preference, opinion or marital status.
- c) Acquisitions.** Whenever Union Pacific pursues the acquisition of any business entity, the due diligence process associated with the proposed acquisition will include a risk-based review of the acquisition target's compliance with the FCPA.
- d) Joint Ventures.** Whenever Union Pacific elects to pursue work outside the United States through a joint venture, the due diligence process will include a risk-based review of the prospective joint venture partner or partners' compliance with the FCPA.

3.6 Training and Certification

- a) Training.** Union Pacific employees whose job responsibilities include conducting business with, or making or approving expenditures related to Foreign Officials will take FCPA training annually. Training will be provided to other employees as identified by the FCPA Compliance Coordinator, under the direction of the Compliance Officer and in conjunction with department heads. The FCPA Compliance Coordinator under the direction of the Compliance Officer will determine whether training will be computer-based or in person.

b) Certification. All Union Pacific employees will complete an annual certification regarding their business related contact with Foreign Officials. This certification will be part of the annual certification of the Company's Statement of Policy on Ethics and Business Conduct.

Appendices

- [Appendix A - Pre-Approval for Expense Involving a Foreign Official](#)
- [Appendix B - Due Diligence Questionnaire for New Foreign Representatives](#)
- [Appendix C – Foreign Representative Compliance Certification](#)
- [Appendix D - Union Pacific Organization Manual](#)
- [Appendix E - Complaint Channel Procedure](#)

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